

# IOM UKRAINE EXPRESS SURVEYS REPORT

Impact of COVID-19 Disease and Related Restrictions on Small Business and Vulnerable Populations in Eastern Conflict Area (GCA and NGCA)



APRIL 2020

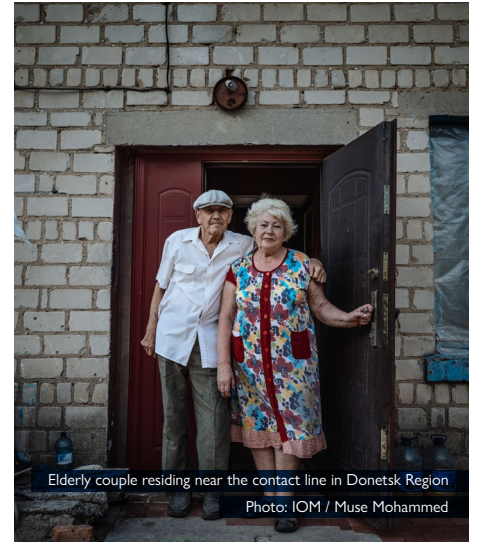


## INTRODUCTION

Shortly after the World Health Organization (WHO) announced the COVID-19 pandemic on 11 March 2020, the Government of Ukraine introduced a list of restrictions aimed at mitigating the spread of the novel coronavirus<sup>1</sup>.

Current restrictions are in place until 24 April and continue to ban the operation of restaurants, bars, beauty and leisure establishments all over the country. These measures have forced many employees to take unpaid leaves and face indefinite disruptions in their income. Schools, kindergartens, universities and other education facilities are closed and apply various models of distance learning.

In the context of IOM Ukraine strategic response and preparedness plan, three express surveys were conducted from 27 March to 4 April with the aim of assessing the impact of COVID-19 disease and response on SME community and vulnerable populations in government-controlled and non-government-controlled areas (GCA and NGCA) of the Eastern Conflict Area. The findings of the surveys will be used by IOM to quickly and effectively respond to the most immediate needs of affected target groups.



Elderly couple residing near the contact line in Donetsk Region  
Photo: IOM / Muse Mohammed



## METHODOLOGY

The restrictions on the functioning of the service sector during the quarantine period might have a significant impact on the current and further activities of small business. Besides, novel coronavirus pandemic could affect the populations initially restricted in livelihood opportunities, including people living along the contact line as well as those who returned to the non-government-controlled areas (NGCA). As these populations were identified as IOM's primary concern group, IOM focused its assessment capacities at them.



## THE DATA WAS COLLECTED THROUGH THREE EXPRESS SURVEYS:

- ✓ Livelihoods (SMEs) Express Survey**  
Five hundred and twenty (520) livelihood beneficiaries of IOM Ukraine programmes were interviewed over phone, using the IOM Beneficiary Contact Database. The interviews were conducted among the people living in nine regions including Donetsk, Luhansk (GCA), Kherson, Kyiv, Lviv, Odesa, Kharkiv, Dnipropetrovsk and Zaporizhia regions.
- ✓ Contact Line Express Survey (GCA 0–5km)**  
Two hundred and fifteen (215) respondents were interviewed remotely via phone using the IOM Beneficiary Contact Database.
- ✓ Returnee Express Survey (NGCA)**  
Two hundred and five (205) respondents were interviewed via phone. The returnees' sample was drawn based on the results of the research conducted within the IOM National Monitoring System (NMS)<sup>2</sup>.

**CAVEAT:** The methodology was based on convenience, not random sampling<sup>3</sup> using the available data sources. Given the convenience sampling was used, the results are only indicative of the surveyed population characteristics. The beneficiaries of the IOM projects are potentially characterized by a higher level of socio-economic vulnerability compared to the other populations.

<sup>1</sup> The Ukrainian government brought in restrictions, including closing all non-essential businesses, on 16 March. Later, the measures became more stringent, including inter-regional transportation halting and restrictions on public gatherings. All the borders have been closed to air and land transport although in some border crossing points crossing by foot is possible.

<sup>2</sup> The NMS telephone survey sample is derived from the IDP registration database maintained by the Ministry of Social Policy of Ukraine.

<sup>3</sup> Etikan, I., Musa, S. A., & Alkassim, R. S. (2016). Comparison of convenience sampling and purposive sampling. American journal of theoretical and applied statistics, 5(1).

## POPULATION LIVING NEAR THE CONTACT LINE, GCA 0–5KM AREA, DONETSK AND LUHANSK REGIONS



### HEALTH:

- Over half of respondents identified challenges with access to key COVID-19 PPEs with **62 per cent** indicating no face masks and **59 per cent** saying there is no antiseptic in their local pharmacy.
- Twenty-one per cent (**21%**) of the respondents said there is no pharmacy in their settlement. The average distance to the nearest pharmacy is 7 km.
- The overwhelming majority of respondents (**96%**) were in some way informed of COVID-19 preventive measures, with **57 per cent** informed through the TV, **21 per cent** through friends and family, and **15 per cent** through Internet. A marginal number received information on preventive measures directly from local authorities, printed media and I/NGOs.
- Ninety-nine per cent (99%)** of respondents said they understood what precautionary measures to take against COVID-19.
- Eighty per cent (80%)** of respondents believed that people in their settlement were adhering to COVID-19 preventive measures.
- Forty-five per cent (45%)** of respondents stated that there is no hospital with in-patient care in their settlement; the average distance to the closest in-patient hospital is approximately 18 km.
- Thirty-eight per cent (38%)** of respondents believed their local clinic does not have enough capacity to host an increased number of patients, while **32 per cent** believed this capacity exists, and **30 per cent** had no idea about the local clinic capacity. Such opposing views could indicate a lack of knowledge amongst the local population on the actual conditions of local health facilities.
- When asked why they believed their local clinic was not prepared to cope with emerging health crisis, most of the respondents highlighted **inadequate number of medical professionals and poor medical equipment as well as low number of beds.**
- Sixty-five per cent (65%)** of respondents believed that local authorities were doing enough to mitigate effects of COVID-19 spreading.
- Many respondents mentioned **increasing stress, fear and anxiety with regards to quarantine measures and anticipated economic shock.**



### FOOD SECURITY:

- COVID-19 and corresponding quarantine measures appear to have had an immediate impact on an already food insecure 0–5 km areas along the contact line. **Fifty-one per cent (51%)** of respondents reported switching to cheaper foods to cope with increasing financial burden. **Twenty per cent (20%)** have had to use savings to purchase food and **19 per cent** reduced their spending for other essential expenditures to be able to buy food. **Sixteen per cent (16%)** reduced their food consumption and **13 per cent** borrowed money to purchase food.
- Eighty-seven per cent (87%)** of respondents noted an increase in food prices by the second week of quarantine measures. However, **88 per cent** of respondents noted food was still available from local shops.
- Sixty-seven per cent (67%)** of respondents were pensioners. Out of these, the vast majority (**96%**) were still able to access their pensions in their own settlements. **Five people** said they could not access their pensions in their settlement and two of them could not afford travelling elsewhere to collect their pensions.
- Sixty per cent (60%)** of respondents did not notice any increased customer activity in their settlement at the time of the survey.
- The quarantine measures did not seem to impede the respondents' access to shops, as even though most of the respondents were elderly, **92 per cent** could access a local shop by foot and others had their relatives or social workers assisting with shopping.



### HYGIENE:

- Access to hygiene products has been marginally impacted with **16 per cent** explicitly indicating that they could not access their regular selection of hygiene products where they would typically shop. **Seventy-seven per cent (77%)** of respondents said their access to hygiene has not changed.
- Over half the respondents (**55%**) noted an increase in prices for hygiene items

<sup>4</sup> The results of the analysis are based on respondents' subjective assessments of the Covid-19 prevention measures.

<sup>5</sup> Ibid

## RETURNEE POPULATION, NGCA, DONETSK AND LUHANSK REGIONS

CAVEAT: Although respondents from GCA and NGCA were asked to answer a similar set of questions, IOM did not compare the findings between the two groups, as there were significant differences in initial sample frames. The respondents from GCA largely represent rural population living in closest proximity to the contact line, while respondents from NGCA are mostly settled in urban and small urban settlements across the entire non-government-controlled territory and do not necessarily represent the most vulnerable population. Less stringent measures are also in place in NGCA with businesses continuing to function, although some restrictions have been imposed on educational, public entertainment and sports facilities. The differential media management of COVID-19 could also have impacted results.



### HEALTH:

- Fifty-three per cent (53%) of respondents said there were no face masks and 46 per cent said there were no antiseptics available in their local pharmacy.
- Nearly all the respondents had access to pharmacy in their settlement.
- The majority of respondents (98%) were informed of preventive measures for COVID-19. Most (57%) were informed through TV, 25 per cent – through Internet sources, and 14 per cent – through friends and family. A few people received information on COVID-19 preventive measures directly from local authorities and printed media.
- All respondents said they knew how to protect themselves from COVID-19.
- Seventy-nine per cent (79%) of respondents believed that people in their settlement were adhering to COVID-19 preventive measures.
- Seventy-one per cent (71%) of respondents believed that local authorities were doing enough to mitigate effects of COVID-19 spreading.
- Many respondents mentioned increasing economic difficulties and problems connected to losing access to GCA. Some also mentioned increasing psychological problems.



### FOOD SECURITY:

- Seventy-seven per cent (77%) of respondents did not notice any increased customer activity in their settlement.
- Fifty-four per cent (54%) of respondents reported indicators of food insecurity: 27 per cent switched to cheaper foods; 11 per cent reported using savings for food; 8 per cent reduced spending on other essential expenditures to buy food. Five per cent reduced their food consumption and three per cent borrowed money to access food.
- Seventy per cent (70%) of respondents noted an increase in food prices within one week prior to participating in this survey. Despite this, food remained physically accessible in local shops, as reported by 97 per cent of respondents.
- Fifty-nine per cent (59%) of respondents were pensioners. Out of these, the vast majority (88%) were still able to access the financial assistance for pensioners provided by the de-facto authorities ('NGCA pensions') during the quarantine.
- The quarantine measures did not seem to impede the respondents' access to shops, as even though most of the respondents were elderly, 97 per cent could access a local shop by foot and others had their relatives assisting with shopping.



### HYGIENE:

- Eighty-five per cent (85%) of respondents said their access to hygiene has not changed and only 4 per cent could not purchase their standard selection of hygiene products.
- Forty per cent (40%) of respondents noted an increase in prices for hygiene items one week prior to this survey.


<sup>6</sup> Ibid


<sup>7</sup> Ibid


## SMEs, DONETSK, LUHANSK, KHARKIV, ZAPORIZHIA, KHERSON, DNIPROPETROVSK, ODESA, LVIV AND KYIV (INCLUDING THE CITY OF KYIV) REGIONS


- Eighty-one per cent (81%) of respondents reported an impact on their business operations with 47 per cent reporting a full shutdown and 34 per cent partial shutting down.
- Eighty-two per cent (82%) of businesses that continued to run have noticed a decrease in the demand for their products.
- Ninety-two per cent (92%) of surveyed businesses which had to halt services indicated they were not the sole business of that kind available locally. However, as most of the respondents lived in cities, the impact of losing access to certain services in smaller communities is yet to be studied.
- On average, surveyed businesses reported that they employed three persons before the quarantine was announced.
- Forty-three per cent (43%) of respondents had to dismiss some of their staff or offer them a leave without pay. On average those businesses had to cut 81 per cent of their personnel.
- Seventy-three per cent (73%) of respondents who employed at least one worker implemented mitigation measures at their enterprises.
- Fifty-seven per cent (57%) were aware of the package of anti-crisis measures developed by the government.
- Eighty-eight per cent (88%) said should measures go beyond 23 April, it would have a negative effect on their businesses. Eleven per cent (11%) said it would have no impact, 3 per cent believed it would have a positive impact.
- During the interviews, respondents were asked to comment on the situation and quarantine measures consequences. Most of the businesses anticipate going bankrupt should the quarantine restrictions be extended beyond June. At the same time, sewing workshops (face masks) and car repair shops demonstrate continued economic activity due to the growing demand.


## In terms of support required for SMEs to function during the COVID-19 crisis, following suggestions and requests were pointed out by respondents:


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Deferral of payments on loans, finding strategies to deal with increased indebtedness after a month of economic inactivity, in particular waiving various types of rent and provision of subventions to enterprises.
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Covering fines and waiving other taxes in addition to the 'single social contribution'<sup>8</sup> was also requested.
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Ensuring a greater mobility of medical personnel and lifting limitations on private medical practice for certain categories, not involved in response – dentists, physiotherapists etc. Easing movement restrictions between regions for agrarians delivering animal feed (according to the respondents, such goods are often not allowed for inter-region transportation). Over a half of respondents in regions heavily dependent on agriculture, such as Kherson, stated they didn't require any support but the cancellation of the quarantine, while one fourth said there was a need for equipment, and the remaining 25 per cent requested financial support. Provision of transport for personnel was also singled out as a type of required support in terms of logistics.
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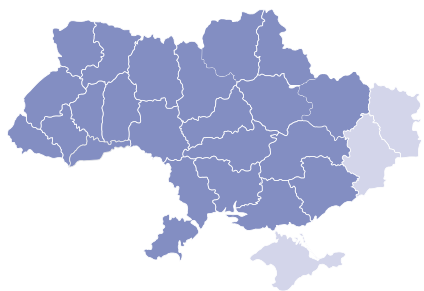
Psychological and legal aid for individuals and enterprises, including the assistance with application for various types of documents and awareness of the government support and specific anti-crisis measures. Free legal consultations were indicated as potentially mostly required in future due to the lack of professionals in the public (civil) service.
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Educational courses on trading and working online.
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Provision of masks, protective gloves and sanitizers.

<sup>8</sup> <https://www.pfu.gov.ua/kr/417452-yedymyj-sotsialnyj-vnesok-2020/>





With regard to impact on certain regions, in the Donetsk Region, businesses in rural areas reported continued engagement in business activities as their livelihoods heavily depend on business continuity, and there are no law enforcement checks in rural areas.

Kherson reported a negative effect on seasonal business activities. It was mentioned that due to a recession, the anti-crisis measures<sup>9</sup> should be extended until at least the end of the summer, regardless if the quarantine would cease by that time or not. Such anti-crisis measures and government support were indicated as highly required on the national level with a view to anticipated slow economic recovery and slow growth of demand among the population.

Aside from the above, some enterprises reported arbitrariness of checks and abuse of power by authorities, noting that the quarantine was used as an excuse for scrutiny even if an enterprise wouldn't fall under the newly-adopted restrictions.



It was noted that local authorities usually oppose the introduction of mitigation measures, as most of the taxes are retained with local budgets. Therefore, relief packages are expected to be supported by local authorities. Otherwise, grants, in-kind assistance and tax reliefs are of little effect as they cover a small portion of SMEs. Business associations like the American Chamber of Commerce and European Business Association should be involved in the revision of complicated taxation regulations.



An IDP who started a carpenter's shop with IOM support, Krasnohorivka, Donetsk Region  
Photo: IOM / Volodymyr Shuvayev

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<sup>9</sup> <https://rada.gov.ua/news/Novyny/191075.html>